

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY

Call to Order: By **CHAIRMAN STANLEY (STAN) FISHER**, on January 22, 2003 at 8:05 A.M., in Room 317-A Capitol.

ROLL CALL

Members Present:

Rep. Stanley (Stan) Fisher, Chairman (R)
Sen. Corey Stapleton, Vice Chairman (R)
Sen. Keith Bales (R)
Rep. Tim Callahan (D)
Rep. Carol C. Juneau (D)
Sen. Trudi Schmidt (D)

Members Excused: Rep. Dave Lewis (R)

Members Absent: None.

Staff Present: Marian Collins, Committee Secretary
Brent Doig, OBPP
Lorene Thorson, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp for these minutes appears at the beginning of the content it refers to.

Committee Business Summary:

Hearing & Date Posted: Montana Correctional Enterprises
Hearing, 1/17/2003
Executive Action: None

{Tape: 1; Side: A; Approx. Time Counter: 1 - 3.6}

Lorene Thorson, Legislative Branch, presented the Committee with a General Fund Summary of Subcommittee action up to this date. The shaded areas represent agencies where Executive Action has been taken.

EXHIBIT (jch13a01)

Ross Swanson, Administrator, Montana Correctional Enterprises Division (MCE), stated that MCE is an integral part of the overall Montana correctional system and plays a significant part in the success of the inmates and the facilities. **Mr. Swanson** introduced directors of the various programs.

{Tape: 1; Side: A; Approx. Time Counter: 8.8 - 17.7}

Gayle Lambert, Fiscal Director, Montana Correctional Enterprises, presented the Committee with a copy of her power point presentation. The mission of MCE is to provide employment and training opportunities to eligible institutional offenders consistent with the Department of Corrections' (DOC) goal to hold inmates accountable through work skill development and restitution while maintaining public safety and trust. Eighty-five percent of the MCE budget is proprietary, which means revenue must cover operating costs. Programs in MCE are vocational education, license plate factory, industries, the ranch, the dairy, accounting and support. Highlights over the last fiscal years are: 1) MSP/MCE fire crew and the lumber processing operation were established; 2) tours were hosted for the Chamber of Commerce, the Northern Ag Network, and local agricultural neighbors; and 3) the telemarketing program was terminated in regional and private prisons. MSP/MCE also: 1) continued to enhance security; 2) formulated a land access policy through public meetings; 3) started producing specialty plates using the new digital process; 4) provided accounting and budgeting services for the Montana State Prison Food Factory; 5) continued operation of the Food Bank cannery; 6) built a ranch supervisor house; 7) installed a 10,000 gallon vertical milk silo at the dairy; and 8) rehabilitated two of MSP's high-hazard dams, bringing them into compliance with the Department of Natural Resources and Conservation Dam Safety Act.

{Tape: 1; Side: A; Approx. Time Counter: 14.8 - 16.8}

Ms. Lambert stated that \$14,474,992 is requested for the 2005 biennium. Of that \$14 million, 85% is requested for authorization only. The other 15% is a general fund appropriation, which goes for the production of plates in the license plate factory, and vocational education.

CHAIRMAN FISHER asked if the cost of license plates is reimbursed to MCE. **Ms. Lambert** responded that general fund is reimbursed a production fee of \$2.00 for each license plate sold. General fund money is appropriated to MCE up front to make the plates. The money does not come straight back to the license plate factory because it is not proprietary. **CHAIRMAN FISHER** asked if it wouldn't be beneficial to make the plate factory proprietary.

Bill Slaughter, Director, Department of Corrections (DOC), responded that there would need to be an initial influx of money to initiate the process. This might be a good time to do it because DOC is changing the way plates are produced. The Department of Justice (DOJ) will always be involved with license plates because the Highway Patrol has to approve the plate designs, and DOJ will always be involved in the registration process. **Mr. Swanson** stated that there are many other issues involved with making the license plate factory proprietary, but believes it is an idea worth considering. **Ms. Lambert** informed the Committee that Senate Bill 118 would increase the production fee to \$5.00, which would generate \$500,000 this first biennium.

{Tape: 1; Side: A; Approx. Time Counter: 22 - 30}

{Tape: 1; Side: B; Approx. Time Counter: 2. - 30.5}

Ms. Lambert stated that legislation was enacted four years ago to produce new license plates every four years. SB 118 would stop that and push the re-issue back two years. DOC has removed the \$2,995,008 necessary to produce that license plate re-issue from the budget.

Ms. Lambert stated that the House Bill 2 present-law adjustments are strictly for inmate payroll. MCE is requesting \$14,560 per year for the license plate factory, and \$34,060 per year for vocational education. MCE is also requesting spending authority of proprietary funds of \$32,280.

Ms. Thorson directed the Committee to page D-90 of the Legislative Budget Analysis, and referred to DP 16. Funds requested in 2005 would be reduced to \$48,620 with total funds of \$81,900.

Ms. Lambert stated that House Bill 576 present-law adjustments total \$461,325 in FY 2004, and \$158,297 in FY 2005 for ranch proprietary spending, which includes the shutdown of the Food Bank cannery as of June 30, 2003. Industries proprietary funding totals are \$965,816 for FY 2004 and 2005.

Ms. Lambert then gave the Committee an overview of the MCE Programs, including information regarding the fire crew. The crew is currently a 10-man crew who stay together at all times. When they are not fighting fires, they do community service jobs. They are trained by DNRC, they are certified fire fighters, and they are called when DNRC has a wildfire. The fire crew has a full-time security officer assigned to them. DOC is in the process of raising the crew number to 15. The firefighters receive \$1.00 per hour. Of the \$24.00 earned in a 24-hour period, deductions are taken out for crime victims, family support and savings. Those wages are billed to DNRC and MCE is reimbursed.

EXHIBIT (jch13a02)

REP. JUNEAU asked how inmates are chosen for jobs. **Ms. Lambert** stated that inmates apply for jobs. The inmates must be a certain classification to work in different areas of the program. To work outside the fence, they must be classified as minimum security.

{Tape: 2; Side: A; Approx. Time Counter: 1.5 - 8.3}

REP. JUNEAU expressed concern about the lack of programs for Native Americans at the regional prisons. **Mr. Swanson** stated that DOC has attempted to establish programs at the women's prison and regional prisons. One of the main reasons the programs don't continue is that programs that are self-supporting have an impact on the private sector, and the DOC is trying to minimize that impact. DOC is continually looking for other viable programs.

Discussion followed regarding proprietary funding. **Mr. Swanson** explained that DOC has two proprietary funds. The first is the Enterprise Fund, which includes the ranching industries. The ranching industries are 100% self-supporting. Enterprise funding allows the selling of goods outside of state government to private entities as well as state government. The second is the Internal Service Fund, which provides goods and services to state government. The DOC Vocational Training Program is an internal service fund, and it also receives some general fund so that's why it's included in House Bill 2. **Mr. Swanson** presented information regarding Montana Correctional Enterprises/Montana Food Bank Network (MCE/MFBN) expenditures.

EXHIBIT(jch13a03)

{Tape: 2; Side: A; Approx. Time Counter: 23 - 30.1}

Nancy Knight, Native American Liaison and Grants Coordinator for DOC, stated that her position was created after the last legislative session in response to some of the inmate's needs. It also involves working in conjunction with Tribal Councils.

Ms. Knight stated she currently administers several grants. DOC has educational programs in the institutions as well as Pine Hills and Riverside, which are accredited schools. Several grants are through the Office of Public Instruction and the Federal Department of Education, which set the teacher's salaries in the institutions. There are on-going grants such as the Montana Board of Crime Control, which provides for the substance-abuse unit at Pine Hills. This grant pays for treatment counselors and additional correctional officers. DOC applies for whatever federal funding meets the needs of the Department. There are no "block grants" available to Corrections. Block grants are available to other agencies for specific purposes such as children's health insurance, Medicaid, substance abuse treatment, drug enforcement, or drug control.

As the Native American Liaison, **Ms. Knight** stated that she worked closely with the Community Corrections Division Administrator, Mike Ferriter, on a feasibility study for citing a prerelease center on or near one of Montana's reservations. **Ms. Knight** also meets with inmates at MSP, the inmates at Shelby, and the Sweet Grass Hills Society. Many times specific needs are addressed that the Tribal Councils haven't been aware of, such as housing needs, chemical dependency needs, or employment needs.

SEN. BALES commented that the regional prisons in Glendive and Great Falls have eliminated the GED Program, and asked **Ms. Knight** if it would be possible for her to get a federal grant to re-implement those programs. **Ms. Knight** stated that might be possible if there is a federal funding source for that specific type of program. Congress appropriates money based upon a specific purpose area; therefore, DOC would have to find an educational program. A lot of Department of Education grants that are available for institutions have a "young offender" (21 and younger) requirement for GED and continuing education.

{Tape: 2; Side: B; Approx. Time Counter: 4 - 10}

SEN. SCHMIDT asked for information about medical parole. **Mr. Slaughter** stated that there is an old medical statute that is so restrictive that only two people met the requirements. As the

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prison population gets older and is more infirm, there are more and more people coming up for a potential medical parole. Transplants are one issue of great concern, and the DOC has put together a less restrictive medical parole bill that is being considered by the current Legislature. Public safety is of utmost concern.

ADJOURNMENT

Adjournment: 9:45 A.M.

REP. STANLEY (STAN) FISHER, Chairman

MARIAN COLLINS, Secretary

SF/MC

EXHIBIT (jch13aad)